Canadian Labour and Business Centre
55 Metcalfe Street, Suite 1440
Ottawa ON K1P 6L5
Tel.: (613) 234-0505
Fax: (613) 234-2482
info@clbc.ca | www.clbc.ca

Centre syndical et patronal du Canada
55, rue Metcalfe, bureau 1440
Ottawa (Ontario) K1P 6L5
Téléphone : (613) 234-0505
Télécopie : (613) 234-2482
info@cspc.ca | www.cspc.ca

Nova Scotia Tri-Partite Forum
July 5, 2005

Proceedings

Prepared for the
Nova Scotia
Department of Environment and Labour

By
The Canadian Labour and Business Centre
July, 2005

TABLE OF CONTENTS

I. Introduction – Objectives of the Tri-Partite Forum 1

II. ***Opening Remarks*** by Bill Lahey, Deputy Minister, Environment and Labour 3

III. ***Keynote Address*** by Shirley Seward, Chief Executive Officer, Canadian Labour and Business Centre 4

IV. ***Morning Panel:***

1. Carol MacCulloch, President, Construction Association of Nova Scotia 5
2. Steve Graves, President, Mainland Building Trades Council 6
3. Stuart Gourley – Senior Executive Director, Skills & Learning, Nova Scotia Department of Education 7
4. Chris Bryant, Executive Director, Office of Economic Development 8
5. Question and Answer Period Following Morning Panel 9

V. ***Summary*** of Morning Round Table Discussions 10

VI. ***Luncheon Address*** by Dr. Anil Verma, Rotman School of Business, University of Toronto 14

VII. ***Afternoon Panel:***

1. Diane Peters, President, Thompson Associates Career Consultants 15
2. Rick Clarke, President, Nova Scotia Federation of Labour 16
3. Laurie Rantala, Department of Environment and Labour 17
4. Question and Answer Period Following Afternoon Panel 18

VIII. ***Summary*** of Afternoon Round Table Discussions 19

IX. ***Concluding Remarks*** by Bill Lahey, Deputy Minister, Environment and Labour 20

Appendices:

1. Agenda for the Tripartite Forum 21
2. Link to selected slide presentations:
   -Shirley Seward, Chief Executive Officer, Canadian Labour and Business Centre
   -Dr.Anil Verma, Rotman School of Business, University of Toronto
   -Diane Peters, President, Thompson Associates Career Consultants
   -Laurie Ranta, Department of Environment and Labour

I. Objectives of the Tripartite Forum

On July 5, 2005, the Nova Scotia Department of Environment and Labour convened a Tripartite Forum on labour/management relations in the province. The Canadian Labour and Business Centre was asked to help to organize and facilitate the Forum.

The objective of the Forum was to bring together senior representatives of employers, labour and government to discuss the role which labour/management relationships can play, both through collective bargaining and through other means, in contributing to strong growth in the provincial economy.

Convening the Forum responded to a commitment made by the Nova Scotia Government in its 2003 Blue Book. However, the opportunity to bring management, labour and government representatives together to discuss labour/management relationships in the province provided an opportunity to proactively address labour/management issues in a way that had not occurred for many years. The Forum thus constituted a significant event in the development of labour/management relationships within the province.

The event consisted of plenary panels of representatives of employers, labour and government, complemented by facilitated round table discussions which allowed participants to exchange views on key questions. Participants were assigned to round tables in advance, to ensure that every table had a representative group of participants, and that the ensuing discussions reflected a variety of views.

The event was organized with no preconceived plans for follow-up activity. Support for this would be determined through the course of the day, and if warranted, further steps would be developed following the Forum.

The agenda for the event is attached as Appendix 1.

Structure of the Forum

Through morning and afternoon plenary panels, the Forum sought to provide employers, labour and government with an opportunity to present their positions on labour/management issues in the province. Round table discussions followed both the morning and afternoon panels, and sought to dig deeper into these issues by seeking answers to a pre-set series of questions. Discussions were facilitated by pre-assigned facilitators from the Department of Environment and Labour and Canadian Labour and Business Centre. These discussions are summarized in Section X of this document.

The luncheon speaker was Dr. Anil Verma, Professor of Industrial Relations at the University of Toronto's Rotman School of Management. He spoke on international developments in the field of labour/management relations.

Following sections present the proceedings of the Forum, organized as follows:

- Morning Plenary presentations
- Questions and answers following the plenary presentations
- Morning Round Table discussions
- Luncheon comments by Dr. Anil Verma
- Afternoon Plenary presentations
- Questions and answers following the plenary presentations
- Afternoon Round Table discussions
- Concluding observations

II. Opening Remarks by Bill Lahey, Deputy Minister, Environment and Labour

Mr. Lahey welcomed participants to the Forum, noting that the Provincial Government had organized this event to reflect its strong belief that the health of collective bargaining is related to the health of the economy. The opportunity to bring labour, management and government together to discuss these links was an important one which had been recognized and supported by Cabinet.

He noted that in Nova Scotia, labour/management relationships are generally good. There is nevertheless a need to better understand each other's roles and perspectives, and perhaps not enough time has been spent on this. Improving relationships, however, requires leaders from all parties who are prepared to take risks. They are here today.

Many factors, including in particular globalization, have affected the economy of Nova Scotia in the last decade. These have challenged both business and public institutions to adapt to change in order to survive and thrive. At the same time, closer to home, the 1990s saw extensive changes, including school and hospital amalgamations and legislated interventions in collective bargaining, which directly affected the labour-management relations climate.

Mr. Lahey stated that while we cannot ignore our differences, we must not let them obscure those areas on which we can agree, especially in finding ways to improve collective bargaining. Attendance at this Forum confirms our shared desire to do so.

The Department of Environment and Labour plays a role both in specific workplace disputes as well as with regard to the broader labour/management system. Reflecting these twin responsibilities, the Department has a variety of initiatives under way to improve its performance on both fronts. Thus, for example, the Department is developing succession planning, a code of ethics, and credentialing for public and private sector mediators and conciliators. In parallel, the North American Association of Labour Relations Agencies, of which the Department is a member, has established a committee of experts to look at the role of neutral agencies in enhancing labour/management relations.

As a regulatory agency, the Department recognizes that it must justify the costs of its regulation activities. The quality of regulations in turn affects the strength of compliance with these. As a result, the Department must continue to be engaged with labour and management stakeholders to strengthen the good relations which are the foundation for good compliance.

In concluding his opening remarks, Mr. Lahey expressed his eagerness to hear from all participants on what the obstacles to even better labour/management relationships are, and how all parties can play a role in addressing these.

III. Keynote Address:
Shirley Seward, Chief Executive Officer, Canadian Labour and Business Centre

In her Keynote Address to the Forum, Shirley Seward initiated the morning proceedings with a presentation on ***"Socio-Economic and Labour Market Challenges: A National Perspective"***. She began by noting that Canada is performing well on many economic fronts, including its rate of GDP growth (highest in the G8), its proportion of the population with post-secondary credentials (highest in the G8) and its unemployment rate (lowest in 30 years). Nevertheless, globalization poses serious challenges for Canada's competitiveness, while labour force demographics contribute to emerging skill shortages in Canada.

CLBC's surveys show that skill shortages are perceived as serious problems by public and private sector labour and management leaders at both the national and Nova Scotia levels. At the national level in 2002, more leaders viewed skill shortages as a serious problem than when the CLBC surveys began in 1996.

Education and skill requirements are rising. In the 1990s, occupations requiring post-secondary credentials, including apprenticeship, accounted for 75 per cent of Canada's job growth. Serious demographic trends face both Canada and Nova Scotia, particularly:

- Slowing population growth and low fertility rates;
- A projected decline in the working age population;
- Rapidly increasing near-retirement populations;
- Growing reliance on immigration for labour force growth.

On each of these counts, the situation facing Nova Scotia is more urgent than that facing Canada as a whole. In addition, Nova Scotia faces continuing out-migration, particularly of people of working age. It is also relatively unsuccessful in retaining immigrants, many of whom simply pass through the province on their way elsewhere.

Managers and labour leaders agree that the most important means of addressing skill requirements can be applied within existing workplaces (upgrading workers' skills, mentoring, measures to retain workers, etc.) Levels of formal job-related training are somewhat higher in Nova Scotia than in Canada as a whole.

The health of labour/management relations is very important. CLBC surveys show that in 2002, labour/management relations were worse in Nova Scotia than for the rest of Canada, no doubt reflecting the province's public sector collective bargaining difficulties in 2001-02.

More generally, however, workplaces with good labour/management relations are much more likely to report improvements in other aspects of their performance, including worker morale, productivity, and employee retention among others. This positive relationship, moreover, holds whether it is management or labour who are reporting.

In summary, while Canada is performing well on many counts, there is continuing cause for concern on productivity, demographic and skills issues. Collaboration is needed to deal with these challenges.

IV. Morning Panel:
1. Carol MacCulloch, President, Construction Association of Nova Scotia

Carol MacCulloch spoke first about the pressures which employers and business owners feel, due to the constant need to try to mitigate the risks associated with having employees. In her opinion, it is not a positive outlook. She noted that for an economy, an indicator of health and confidence in the future is economic players' willingness to invest, whether in homes or in businesses. Public investment in infrastructure and a competitive tax regime are very important factors in attracting investment.

In the construction sector, Nova Scotia firms are now looking at doing business in the US or the Caribbean. This means that government must benchmark its regulatory burden not just relative to other provinces, but also with respect to other countries.

She described the following priorities of the newly-created Partners Advisory Council to the Minister of Education as a foundation for moving forward on skills and learning:

- To promote development of an adequately resourced labour market information system, which would allow labour, management and government to review and validate such information.
- To develop articulation arrangements which would contribute to a 'seamless' education system, in which learners can move smoothly from one level to the next, and which challenges institutions to develop a comprehensive system that supports lifelong learning.
- To develop a co-ordinated provincial occupational certification system in a way that rationalizes the roles of various government agencies and departments, supports training, certification and consistent enforcement, and is effective in a competitive marketplace.

She described a 'compliance gap' which exists in the construction market, as well as in other sectors and jurisdictions. In Nova Scotia, 30% of tradespersons are self-employed, as opposed to 15% who are unionized. Current laws and regulations mean that these 30%, who may be part of the underground economy, have few rights and are unable to participate in apprenticeships.

This creates considerable difficulties. For example, the federal fair wage regulations require that contractors pay their employees based on a posted wage schedule, subject to penalties for failure to comply. But self-employed workers are not required to pay themselves according to the rate schedule, and can thus substantially undercut contractors' wage costs when bidding on projects. Contractors can't be successful in a low bid situation if they are bidding against people who don't have to follow the same rules.

More and more people are escaping the regulatory system by opting out, which lowers their costs and leaves those contractors who remain at a competitive disadvantage. The regulatory system must be flexible and realistic, and must recognize the changing nature of work and support our competitive position as employers and taxpayers.

Morning Panel:
2. Steve Graves, President, Mainland Building Trades Council

In the view of Steve Graves, overall standards in the construction industry have dropped in the last decade, largely through the increase in the number of 'self-proclaimed' tradespeople, some with only minimal skills. This has reflected the growth in 'sole proprietors' or in less qualified tradespersons moving from the residential to the industrial/commercial market.

These workers can undercut the wages of fully qualified tradespersons and win jobs that are based on lowest price. Governments, in particular, award jobs on this basis, rather than on the preferable basis of 'best value'. Prequalification of contractors and subcontractors on jobs over a certain size, with disqualification of those who violate key requirements, would address many issues.

Mr. Graves stated his strong view that all tradespeople should be certified, and that adequate resources should be made available by governments to enforce this. He criticized in particular the fact that in Nova Scotia hairdressers require mandatory certification but many construction trades do not.

He offered the following views on particular features of the construction trades labour market:

- While there is a shortage of tradespersons in some areas, this is not the case in the Atlantic Provinces, where there is a good supply of young people seeking to enter the trades. Offshore natural gas development, however, might contribute in future to trades shortages in Nova Scotia, particularly if other large commercial and industrial projects are going at the same time.

- Where there are shortages, temporary foreign workers should not be used as cheap labour, when Canadian workers are available. Jurisdictions which have done this include Alberta (for the oil sands) and British Columbia (for the upcoming Olympics). Rather, the federal government should provide incentives (tax credits or mobility grants) to help tradespeople move interprovincially for work.

- Construction unions seek 'the right people', not poorly-schooled dropouts. The right people are those who have an interest in the job and will be productive members,. Unions have an obligation to provide contractors with the best skilled tradespersons. The unions place great priority on training, as is shown by their investments in training funds and training centres.

- There is a strong need to promote construction as a career, and not as a dead-end job with low wages. Career awareness is a very important issue with national overtones.

Morning Panel:
3. Stuart Gourley – Senior Executive Director, Skills & Learning Branch, Nova Scotia Department of Education

Stuart Gourley described his department's approach to education, and its relationship with the private sector. He cast education in a 'Supply side' context, to include both the institutions themselves (the 'bricks and mortar') and also other dimensions of learning including curriculum, outcomes, and employer-based training.

In his view, employers are the 'Demand side' -- the 'customers' of the education system. They have a responsibility both to tell the educators what they need in terms of skills, and to become much more involved in the education and training system themselves.

Labour market information provides the key information for decision-making by both individuals and education/training systems. In this context, career development and life planning activities, whether formal or informal, play an important role.

Education is a service-provider, reflecting the inputs and requirements of employers and recognizing that society at large is a beneficiary from education. Parents play a 'quality control' role as well as supporting education through the home environment.

In discussing skill shortages, he first drew attention to provincial demographics, noting the rising number of people over 55 years of age. At the same time, while the Halifax region is growing, the rest of the province is shrinking, and getting even older than the provincial average. Similarly, primary grade school registrations will decline from 9,550 in 2003/4 to 8,400 in 2008/9. This is worsened by rising out-migration from the province.

The economy's skill needs are also changing; seventy per cent of new jobs will need post-secondary education. Higher levels of literacy, numeracy and other essential skills are increasingly needed in the entire workplace, and in particular in entry level jobs. At the same time, small businesses and services are an increasingly important source of jobs.

While graduation rates are improving, many students leave high school without plans for further education and training. Their labour market attachment is likely below their potential and they lose literacy and numeracy skills, for lack of application. In addition, a large number of 35-55 year olds did not graduate from high school. This contributes to the fact that Canadian literacy levels haven't changed in ten years. While the literacy levels of Mexico, etc. are lower still, any improvement in these potentially threatens Canadian employment levels. There is also a 'university culture' among parents, and a misperception about the career prospects of industries such as manufacturing.

We need better career counselling in high schools, provided by counsellors who are more acquainted with the work world, rather than just with university entrance requirements and application processes. Proposals are under way to place teachers in a workplace environment for a period of time, to round out their experience as a basis for counselling. Similar plans are under development to allow students to work for a semester before they graduate, to get a taste of the work world. In parallel, ways are being sought to encourage parents to support non-university options for their children.

Morning Panel:
4. Chris Bryant, Director, Office of Economic Development

Chris Bryant began by noting that it is difficult to separate economic, social, political, environmental and even cultural issues in a small province such as Nova Scotia. While the province's economy is in reasonable shape, it is still delicate. Unpredictable developments can threaten this; skill shortages or the impact of China were not foreseen in 2000.

In his current recent consultations to update the 'Opportunities for Prosperity' document, however, a common lament has been that "we can't find the workers we need". In Mr. Bryant's view, we are moving from a situation of labour oversupply to one of increasing shortages. It is a new situation for us, although we had something similar in the Second World War. Then, we introduced innovative solutions, and we are challenged to do so again. The 'rules of the game', however, are set up to keep workers out of the jobs which exist, although the game is changing. Business, labour and government are challenged to collaborate in dealing with the new 'game'.

There are multiple reasons behind labour shortages, each with its own solutions:

- The workers don't exist in Nova Scotia. In this case we have to import them or replace them with machines.
- The workers exist but don't have the skills needed. In this case we should train them and remove barriers to entering the labour market. Better training requires collaboration among business, labour and government beyond anything we currently have. This applies to persons with disabilities, African Nova Scotians, etc., many of whom first need access to education.
- The workers exist, have the skills, but can't or won't work. Here, we should pay them better and recognize their skills better through PLAR approaches. We should avoid 'certification creep', clearly indicating what entry requirements actually are. We can also find flexible ways to let workers ease into retirement, permitting them to take some time to train new young workers. Finally, we should develop incentives to encourage people to work and employers to employ people. (As an employer, government in particular should make it less administratively complicated to hire workers, partly by making it easier to move from casual to permanent status.)

Mr. Bryant stressed that if we want people to work, we must reward them for working and make it easier to work, and stop rewarding bad behaviour, through our tax system and regulations. We must make it easier for people to get work. Women on welfare, for example, need to be induced to enter the labour market through proper incentives.

Finally, we must also consider what happens if our efforts to grow the labour force through immigration or repatriation don't work. We should consider what the province will look like with fewer people, or (as urbanization continues) with fewer people in rural areas. What will health delivery or education look like, for example? There is very little research on this topic, and more should be done.

Morning Panel:
5. Summary of Question and Answer Period Following Morning Panel

The morning panel was followed by a question and answer period in which participants responded to panelists' comments or made statements of their own. Key themes of these discussions were as follows:

The Underground Economy

The size of the underground economy has been estimated by some in home construction as 40% - 50% of activity in the sector. In construction in particular, the underground economy is a serious problem, mostly from subcontractors. In rural areas, the pattern of moving in and out of the underground economy, depending on the job, is common, and must be recognized in economic planning. This lets workers stay in rural areas, even though they are underemployed and make low wages.

Workers in the underground economy pay no EI, WCB, or taxes. They have no legal protections, as a result. Some employers use young workers in the underground economy. Without the protections which come from legitimate jobs, this places the young workers at considerable risk.

Career Counselling Issues

If the underground economy is so widespread, it is not a surprise that parents do not encourage their children to go into construction and related occupations. Nevertheless, there are great advantages to a trades ticket which have not been recognized by parents and, as a result, not shared with their children. There is a strong need to communicate occupational realities to parents, and to effect a cultural change in which parents' attitudes to the trades are much more positive.

The need for good counseling is critical. There is also a need for better labour market information on where the future jobs will be. Since picking winners will likely not work, the education system will have to be able to produce workers capable of adapting to change.

Demographics of Rural Areas

Rural areas are aging more quickly than urban ones, largely through outmigration of younger people. We need to develop ways to deal effectively with older, smaller rural populations, since past remedies won't work. The experience of Scandinavian countries may be instructive.

Further Meetings?

Several participants expressed the view that these questions might be discussed at greater length in future forums, and hope that these would occur.

V. Summary of Morning Round Table Discussions

The round tables were asked to address the following three questions:

1. *What are the roles of business, labour and government in addressing the province's economic and labour market challenges?*
2. *What do constituencies expect of each other?*
3. *What obstacles get in the way of solutions?*

A summary of the round table discussions follows.

1. *What are the roles of business, labour and government in addressing the province's economic and labour market challenges?*

A common theme across several tables was the need for government, employers and labour to develop ***a stronger set of partnerships to*** address economic and labour market challenges. Government, in particular, cannot successfully act alone without such partnerships. One table described this as having the courage to do things in a 'new' way, and to recognize that all parties shared a role as partners in addressing challenges. Significantly, such partnerships require trust and open, honest dialogue among all the parties. In this context, government has a particular role in providing a stable work environment that is predictable for employers and workers. In the view of one table, this included fostering a stable labour relations climate, and there was a need to look at the labour legislation.

A second priority focused on ***training***. Government must look in a more concerted way at future skill needs and the education/training required to meet these. Here, labour and employers can also help; in particular, employers should pay more attention to the skills their workers need, and to determining clearly what preparation and credentials are involved. Colleges should take a stronger role in business-related training. Several union representatives identified a need for government and employers to devote more resources to training.

Government and employers share a responsibility in the area of ***youth career choice***. Government needs to develop new strategies to assist youth in these choices, while employers must put more effort into communicating to youth the career opportunities they can offer.

One table had an extensive discussion of the issue of ***wages*** in Nova Scotia. Participants noted that wage rates in the province were below those in others, which contributed to out-migration. Furthermore, wages are particularly low in the rural areas of the province, which works against keeping workers in those regions. Standardized wages across the province, especially in such public sector areas as health and school boards, would help keep workers in the rural parts of the province, and in the province as a whole.

The related issue of ***part time work*** with no benefits was also cited as an impediment to growth, and a source of growth in the underground cash economy. Many youth cannot afford to repay their educational debts through their part-time wages, so may leave the province.

Some participants noted the ***growing gap between the Halifax Regional Municipality*** and other rural areas. The risks of depopulation in the latter areas were increasing, and raised the real need, mentioned by one panelist, to think about how to address such situations effectively.

Inclusiveness, whether it relates to aboriginals, rural or black Nova Scotians, or immigrants, is a fundamental requirement identified by one table. All parties share a role in promoting inclusiveness.

Government must also make a ***commitment that lasts beyond any single mandate***. Decisions made need to be followed through and not changed. In this context, several tables noted that there was a need for more meetings such as this one, which could help provide better forums for problem solving. Clearly, there are more issues than can be addressed in one day.

Elaborating on the partnership point, some tables provided comm..entaries on ***collective bargaining*** in the province. Movement away from adversarial styles of negotiations towards interest-based approaches, and longer agreements, were seen by some employer representatives as helpful steps. For unions, it was essential to protect workers' rights. Some tables commented that government must recognize its dual role in this area, both as employer and as legislator. It sets the overall framework. Politics can change these roles, and more commitment is needed by government to such roles.

2. *What do constituencies expect of each other?*

The public expects business, labour and government to ***sit down and solve problems*** in a proactive fashion, not wait for crises to emerge. For some, the current minority government situation provides an opportunity and incentive for greater joint problem-solving. Government is expected to set the standards, or ground rules, to create an environment of mutual respect. Sometimes situations arise where the government 'stick' is used.

Each constituency has a right to ***expect the others to have the best needs of Nova Scotians at heart*** at all times. This involves, first, jointly clarifying the nature of the problems to be addressed. Second, it requires a strong focus on finding solutions rather than claiming inability to overcome these problems. There is a need to work more collaboratively, with more dialogue and discussion among all parties. All parties are expected to demonstrate mutual respect and honesty in communications.

Business is expected to ***act in good faith***. Employers need to take responsibility but engage unions in solutions. The union role in such solutions needs greater recognition. Union participation in finding such solutions also strengthens their 'buy-in' to implementing them.

Government needs to hear ***what these two constituencies require***, as is being done, for example, through sector councils. On employment issues, government is positioned to make the public aware of the need for adequate compensation, insurance, and a fair wage. This can help to communicate how the underground economy can hurt everyone.

There are growing numbers of examples, however, of ***unions and employers seeking solutions in advance of collective bargaining***. In construction, for example, employers and

unions have found ways to do so using a conciliator. In other sectors, use of government conciliators is increasing and, while not formally required, is encouraged.

The public ***expects the Labour Relations Board to be fair, neutral and effective***. It is evident that consultation processes need improvement, and new processes are being used. Government, in its own right, expects unions and employers to be ***prepared and strategic*** on their mandate, and not stall the process to move forward.

3. ***What obstacles get in the way of solutions?***

On economic issues, government often gets ***inconsistent messages from employers***. While government may hear from individual businesses that more regulations are needed, this is not the message from the business associations. More generally, there is a ***need for all parties to work together*** on such economic issues as attracting new industry to the province. Collaboration and innovation are both required, and their absence is an obstacle to growth.

There is a need to try to ***depart from traditional approaches and explore creative new ones,*** with the input of all parties. One table noted, for example, that small communities need multi-purpose centres and mechanisms, rather than specialized workers in 'silos'. Unions could help this happen at the community level. Union jurisdiction would have to be addressed, but people being 'generalists' would not usually be a problem as long as it did not result in lower wages or job de-skilling. Union accomplishments, the table noted, help non-unionized workers as well.

In the view of one table, ***government lacks a consistent approach to addressing issues.*** Some of this, the table felt, reflected a fragmentation of responsibilities among too many departments, commissions and agencies, and a lack of communication among them. This table also felt that action was constrained by the number of rules that have to be followed.

One table offered the reminder that ***budget constraints*** constitute an ongoing reality which affects all parties' capacity to act innovatively. Nevertheless, to help find creative solutions, it may be helpful to ***analyze other models*** in other jurisdictions. Other provinces are sending fact-finding missions abroad to do this.

There was a strong agreement across the tables that the ***union and political election cycle regularly removes leaders*** who have built up relationships with others. These must be re-created, which takes time and adds risks that new relationships will not be as good as preceding ones, or that the response or advice from some parties will change with the leaders.

Similarly, ***decisions are often made based on the life of a government***, which is not a helpful basis for longer-term action. Governments have to think further ahead, and act accordingly. Often, they are better at strategic planning than at strategic follow-through.

This fear of a ***lack of government follow-through*** extended to this meeting. For example, business and labour expected that this will not be the only meeting of its type, but rather the first of a series. Forums such as this provide a way to discuss issues, although they will also have to show results.

On the specific labour/management relations front, several issues received attention. One table noted that the ***amount of time dealing with jurisdictional disputes*** under the Labour Code is hurting Nova Scotia's economy. By the time the dispute is settled, the job is actually over. Another table criticized what it called the 'legalization' of labour relations in the province, while a third table called for changes in the Trade Union Act as it relates to the difficulty in organizing unions.

A fourth table noted what it called a ***'collective indifference' to labour/management issues*** at the political level. While these issues tend to be urban in their application, political power rests disproportionately with rural ridings, in which these are less pressing concerns. Thus, there is rural opposition to changes in the Trade Union Act, which also reflects misconceptions about unions.

It was noted in one discussion that here is some evidence that investors are getting the word that ***Nova Scotia is difficult to work in*** given some of the slowness of the Labour Relations Board, and so the province is losing investment. The table suggested that it might be time to think about full-time Board members, since it must administer more than one act.

Finally, one discussion noted that ***poor government contracting processes*** can result in work going to underground economy subcontractors. This weakens the entire trades and contracting system. Regulatory loopholes can weaken these arrangements further.

VI. Luncheon Address by Dr. Anil Verma, Professor, Rotman School of Management, University of Toronto

Dr. Verma entitled his luncheon address ***"Joining Hands: Labour, Management and Government Responses to the 'Invisible Hand'"***. He began by noting that on some scores, such as malnutrition and illiteracy, the world economy has improved over the last decade. At the same time, however, in Canada income inequality has increased, the share of 'good' jobs in the economy has shrunk, and immigrants find it harder than ever before to get jobs that match their skills.

The rise of 'BRIC' (Brazil, Russia, India and China) also threatens, because of their large pools of low-paid, skilled labour. China in particular has had an enormous effect on many aspects of the world economy. Significantly, the rise of 'BRIC' is also an opportunity for those Canadian firms which are positioned to take advantage of these markets.

It is hard to win unless everyone is rowing in the same direction. For this to happen, labour, management and government must 'join hands' to address the key challenges of skill development, dialogue, worker participation and overall good governance.

Labour/management dialogue plays a key role in addressing these challenges, and requires its own strategy. Such dialogue contains a 'pyramid' of relationships, varying from meetings without an agenda (at the bottom) to joint study teams and task forces (in the middle) to joint governance (at the top). The 'new' labour relations, in fact, is marked by interest-based bargaining, bilateral grievance processes, flexible work rules, and joint committees. It is also marked by programs to share directly with workers the fruits of their labour, through gainsharing, performance pay, or profit sharing. Some unions historically oppose such arrangements.

In some workplaces, joint committees have taken on a stronger role in determining a number of workplace arrangements. In others, there has been a move to longer collective agreements since the 1980s, which provides stability to relationships.

Moving labour/management relationships forward requires the strategic management of these relationships, rather than the reactive approach which is most common at present. Both company and union must determine where they want to go over 3 to 5 years, and develop a plan to get there.

In a high value added economy, skills are critical. Skill needs include higher levels of technical and judgemental skills, as well as greater entrepreneurial capacities. There is also expected to be greater search in the labour market, as young workers, immigrants, and displaced workers all seek new employment.In terms of skill development, the implications are also clear. Education will be expected to provide a knowledge base on which job-ready skills can be built. Canadian employers will have to invest more in skill development. The training needs of the low-skilled/wage workers will have to be addressed. The role of union membership in encouraging learning opportunities will have to be explored.

VII. Afternoon Panel:
1. Diane Peters, President, Thompson Associates Career Consultants

Speaking from the perspective of the manufacturing sector, Diane Peters began by noting key economic challenges facing the sector. These included the stronger Canadian Dollar; availability of skilled personnel; changing customer demands; higher business costs, and difficulty bringing new products to market, among many others. She drew particular attention to China's growing dominance of key manufacturing markets based on its huge cost advantage and rapidly expanding engineering capacity.

In response, she noted that Canadians will have to understand that our power to build a prosperous future is in our own hands, and that manufacturers, labour and government must get the job done. We must recognize the importance of manufacturing to economic prosperity, and be aware of that sector's dynamic and high-paying career prospects.

Looking forward, basic workforce requirements will include an enormous array of skills. These will range from employability skills, in particular self-discipline, reliability, and interpersonal skills, through teamwork skills, to management and supervisory skills, among many others.

For its part, business in future will have to develop new business strategies and accountable governance systems and health, safety and environmental practices. Businesses must define their new skill needs and continually upgrade workers' capabilities and the technologies they use. Partnerships will be essential.

Labour in future will have to join business in understanding the nature of the economic challenges being faced. It will also have an important part to play in managing change and in improving how work gets done; in implementing innovative solutions in the workplace, and in upgrading members' skills and competencies.

There is a need to move away from an earlier adversarial 'win-lose' model of labour/management relations in which government intervened in the relationship through arbitration, etc. This must be replaced by a new approach, in which labour and management redefine their relationship as one of partnership, supported by government.

Innovative labour/management approaches exist, and are instructive. For example:

- At the International Labour Organization, government votes on conventions only if labour and management disagree. This brings a strong incentive for labour and management to reach agreement in their votes.
- The multipartite Canadian Labour Force Development Board, despite some cumbersome processes, produced many useful reports and recommendations;
- New management approaches feature teams which decide how their work will be done, and are accountable for doing it while meeting quality and efficiency goals.

Noting that adversarial approaches are not in our best interests, Ms. Peters concluded by asking whether management, labour and government have the courage to step back from the old ways and find new approaches to dealing with each other.

Afternoon Panel:
2. Rick Clarke, President, Nova Scotia Federation of Labour

Rick Clarke stated that although globalization is viewed by many as the only way before us, he and Labour in general, favored and still favor, fair trade rather than free trade. In his view, the region and Nova Scotia in particular is getting much of the 'downside', or negative effects, of globalization and free trade, with few if any of the benefits.

The impact of globalization is not from countries such as China or India directly, but rather from those multinationals who would use this opportunity to exploit workers at home and abroad. Globalization spreads the imbalance between the wealthy and the poor, and brings labour/management problems in its wake. Workplaces are left to deal with closures, downsizing, contracting out, the growing use of precarious jobs (casual, part-time and self employed) and other forms of restructuring.

In his view, government action or inaction likely has the greatest negative impact on Labour/Management relations in the province. In particular, a number of aspects of government behavior need to change. Specifically:

- Government must see itself as an employer. This must be recognized not just within the bureaucracy, but at the Cabinet table. The public sector has a very poor bargaining record due to government bargaining strategies (or lack of them) and its arbitration record is no better. This sets a bad example for the private sector. There is in fact an opportunity and need for the government to lead by positive example rather than through poor example, as happens far too often.

- As a legislator, the provincial government has also come up short, particularly in legislation around pensions and the grow-in issue, which is causing great strain in the private sector and at bargaining tables. Antiquated labour legislation, which is dysfunctional at best, has also created an adversarial climate in labour-management relations from the vote, to the bargaining table and in the grievance and arbitration process.

- Progress is needed on the issue of workers' right to organize, and there is a need to look more broadly at labour law reform;

- Government must make resources available so business and labour can train workers.

Management, labour and government have an opportunity to work together to develop a joint approach on labour/management issues. In a minority government situation, in fact, government may be more willing to engage in dialogue in order to work out differences. Government should also think beyond the four years of its mandate. Mr. Clarke expressed the hope that this was not the last meeting of this type. The issues are far too important and complex to be resolved at one sitting. To do so would likely only add to troubled relations at the workplace and with government. He noted that we have the opportunity to work together to make changes in the best interest of all, and that there appears to be a willingness to attempt this process. The question is, is there a political willingness to see it through?

Afternoon Panel:
3. Laurie Rantala, Department of Environment and Labour

Laurie Rantala began her remarks by examining the statistical evidence on the state of labour/management relations in Nova Scotia. The evidence, she noted, points to a constructive labour/management relationship in the province, reflecting the fact that:

- Nova Scotia has a record on time lost through work stoppages which, since 1997, has outperformed the national average;
- The number of legal work stoppages in the province stands significantly lower in 2004 than in 1999;
- Labour Relations Board applications are lower in 2004 than in the 1998-2001 period;
- Arbitration requests have declined in the last five years.

Ms. Rantala noted that in 1992 the Department of Labour adopted a more proactive approach to its labour program, moving to initiatives such as Grievance Mediation and Joint Action Committees as part of this overall thrust. At the same time, the goal of programs was to build stronger labour/management relationships through helping the parties to develop problem-solving skills and to resolve issues prior to collective bargaining.

Proactive programming continued through the late 1990s, until the early 2000s, with training for mutual gains bargaining, information sessions for newly certified groups, and administration of the Non-Binding Arbitration Program.

There are real opportunities for further improvements, both from a government perspective and from the perspective of management and labour. These include:

For government:

- Create more opportunities for dialogue;
- Provide resources for qualified conciliators/mediators;
- Promote proactive programming, as well as new programs being developed, and encourage participation of the parties.

For the parties:

- Support and participate in proactive programs;
- Engage in sucession planning for negotiators;
- Support succession planning for arbitrators

Afternoon Panel:
4. Summary of Question and Answer Period Following Afternoon Panel

Issues Important to Labour

Labour representatives emphasized several points, as follows:

- There is a need to re-think the Trade Union Act, but the importance of this is not appreciated at the political level;
- The lack of a first agreement at the World Trade and Convention Centre demonstrates how government is unable to influence local management even when it is in everyone's economic interest;
- There is a need for labour and management to establish and maintain communication at all times, regardless of economic conditions. Too often, management communicates with labour only in times of crisis when it is seeking concessions;
- In Nova Scotia, the resources of the Department of Environment and Labour have been stretched between two important mandates, with resulting lack of staff and other resources at the local level (workplace inspectors, etc.);
- There is some suspicion on the labour side regarding the 'balance' in the process by which government consults in advance of legislative or regulatory changes. In the view of labour speakers, changes which negatively affect workers are quickly passed with little consultation, while regulations or legislation with potential negative effects on business receives extensive consultation;
- From a labour perspective, automatic certification would be preferable to current processes;
- There are many issues which can be resolved away from the bargaining table and in more joint forums. These include, in particular, issues of investment in training.

The Role of Government in Labour/Management Relations

There was some disagreement about the role of government in labour/management relations. On the one hand, it was pointed out that at the federal level in particular, the government has withdrawn from a neutral conciliation role, with a downgrading of its capacity in this area.

On the other hand, some management representatives felt that the government need not be more active in this area. Rather, it should support the process, not seek to lead it. Government does not have the same vested interest in a solution as the parties do, and may also lack experience with the particular environment within which a dispute is taking place. Government intervention may also tend to be more legalistic and structured, which may not be what is needed.

Labour expressed the view that government has a serious role to play in labour/management relations. Otherwise, extensive conflict could result.

VIII. Summary of Afternoon Round Table Discussions

The afternoon round tables were asked to address two questions:

1. *What is the single most important issue that employers and labour should deal with?*
2. *Is there a preferred mechanism whereby management and labour can address this issue in Nova Scotia?*

Afternoon round table discussions are summarized below.

1. ***What is the single most important issue that employers and labour should deal with?***

Two tables reported that at the most senior levels of management and labour, there is a need to share perspectives on the ***impact of global economic developments*** on the provincial and local economies, and on local industries and workplaces. Productive communication on these issues can contribute to reaching understanding and compromise. This broad perspective is not a collective bargaining issue, although it clearly provides the economic backdrop to collective bargaining. It can set the stage for discussions to 'funnel down' to more specific issues.

A second table identified a more focused set of issues, noting the need for the stakeholders to meet regularly to discuss ***workplace issues of mutual concern***. These could be focused on particular sectors, such as health care, construction, etc.

A third table focused further, citing a need to have ongoing tripartite discussions of the ***labour/management relationship.***

2. ***Is there a preferred mechanism whereby management and labour can address this issue in Nova Scotia?***

Regardless of the topic being addressed, it was felt that such discussions cannot occur at the point of collective bargaining. Rather, they must be ***ongoing, regular and separate from day-to-day working relationships.*** The agenda for such discussion must be developed by the stakeholders, and the terms of reference agreed by all three constituencies. The overall process may be guided by a steering group. Small groups may be identified to work on specific issues and report back to a larger stakeholder group.

In terms of the first two issues noted above, it was recognized that government should participate in these discussions in its ***role as an employer***, to demonstrate that it recognizes that it plays such a role as well as that of legislator. While some tables noted that politicians could represent government, others felt that politicians would not participate in these meetings, but rather would be asked to endorse the results of the discussions. One table cited the recent WCB review process as a helpful model.

For the third issue above, it was suggested that the ***Deputy Minister of Environment and Labour*** could invite union and business groups to come together as a steering committee to develop the agenda further. Participation of all three parties would improve upon earlier informal 'joint study' processes which had involved only management and labour.

IX. Concluding Remarks by Bill Lahey, Deputy Minister, Environment and Labour

In concluding the session, Bill Lahey noted that this Forum had been organized by the Government to determine whether there was an interest among the various stakeholders in pursuing labour/management and other issues further in a multipartite context. He noted that many points emerging from the round tables were consistent with his own thinking. In particular, it was clear that:

- There is consensus that there should be followup to this Forum
- The link between broader economic issues and collective bargaining is important;
- Higher level policy issues can provide a focus for a further forum.

Mr. Lahey also noted that there is a risk to be taken in pursuing further discussions, and that leadership is required from government, business and labour. While it may be described as a 'leap of faith', there is great value in getting a process started. Progress can build on itself.

He concluded by expressing his hope to build on today's Forum discussions.

Appendix 1: **A G E N D A**
Tri-Partite Forum - July 5, 2005 - Westin Hotel

7:45 – 8:15 am: **Registration and Continental Breakfast**

8:15 – 8:30 am: Welcome and Opening Remarks:
Bill Lahey, Deputy Minister of Environment and Labour

8:30 – 8:45 am: Keynote Address: Shirley Seward, CEO, CLBC
"Socio-economic and Labour Market Challenges – a National Perspective"

8:45 – 10:00 am: Opening Panel: "Perspectives on Nova Scotia's economic and labour market challenges, and priorities for addressing them"

Moderator:	Shirley Seward, CLBC
Business Speaker:	Carol MacCulloch, Construction Assoc. of Nova Scotia
Labour Speaker:	Steve Graves, Mainland Building Trades Council
Government Speakers:	Stuart Gourley, Department of Education
	Chris Bryant, Office of Economic Development

10:00 – 10:20 am: **Health break**

10:20 am – 12:00 noon: Round Table discussions

1. Opening remarks by Moderator: Derwyn Sangster, CLBC
2. Questions for discussion:

(i) What are the roles of business, labour and government in addressing the province's economic and labour market challenges?
(ii) What do constituencies expect of each other?
(iii) What obstacles may get in the way of solutions?

12:00 noon – 1:15 pm: Lunch

Luncheon speaker: Dr. Anil Verma, Professor, Rotman School of Management, University of Toronto
"Trends in International Labour-Management Relations"

1:15 – 2:30 pm: Afternoon Panel: "What is the state of labour-management relationships within Nova Scotia at the provincial, sectoral, and workplace levels? How can we improve this?"

Moderator:	Shirley Seward, CLBC
Business Speaker:	Diane Peters, Thompson and Associates
Labour Speaker:	Rick Clarke, Nova Scotia Federation of Labour
Government Speaker:	Laurie Rantala, Department of Environment & Labour

2:30 – 2:45 pm: Health break

2:45 – 3:45 pm: Round Table discussions:

1. Opening remarks by Moderator: Brigid Hayes, CLBC
2. Questions for discussion:

(i) What is the single most important issue that employers and labour should deal with?

(ii) Is there a preferred mechanism whereby management and labour can address this issue in Nova Scotia?

3:45 - 4:00 pm. Summary and concluding remarks:

Bill Lahey, Deputy Minister of Environment and Labour
Shirley Seward, CLBC

Appendix 2: Links to selected slide show presentations:
http://www.clbc.ca/Presentations/Presentation07050501.asp

Shirley Seward, Chief Executive officer, Canadian Labour and Business Centre
Dr. Anil Verma, Rotman School of Business, University of Toronto
Diane Peters, President, Thompson Associates Career Consultants
Laurie Rantala, Department of Environment and Labour